

THOMAS J. KARR
Assistant General Counsel
Washington, DC Bar Number 426340

ERIC REICHER
Special Trial Counsel
Washington, DC Bar Number 490866

KAREN J. SHIMP
Special Trial Counsel
Washington, DC Bar Number 456265

U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-9613
(202) 551- 7921 (Reicher)
ReicherE@sec.gov

Attorneys for the U.S. SEC

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

U.S. SECURITIES AND EXCHANGE COMMISSION.

Applicant,
vs.

SHAWN F. HACKMAN,

Respondent.

Case No. 2:21-cv-01234

**APPLICATION FOR AN ORDER
UNDER SECTION 21(e)(1) OF THE
SECURITIES EXCHANGE ACT OF
1934 ENFORCING COMPLIANCE
WITH A COMMISSION ORDER, AND
BRIEF IN SUPPORT**

COMES NOW the U.S. Securities and Exchange Commission (“SEC” or “Commission”) and hereby applies to this Court for an order pursuant to Section 21(e)(1) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78u(e)(1), that requires Respondent Shawn F. Hackman to (1) comply with a final SEC administrative order entered against him on September 10, 2002 (suspending him from appearing or practicing before the Commission as an attorney); and (2) disgorge, with prejudgment interest thereon, the \$817,438 compensation he received from appearing and practicing before the Commission in violation of that Commission order.

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1 Respectfully submitted this 30th day of June, 2021.

2 THOMAS J. KARR
3 ERIC REICHER
4 KAREN J. SHIMP

5 /s/ Eric Reicher
6 Eric Reicher
7 Special Trial Counsel

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28 U.S. Securities and Exchange Commission

INTRODUCTION AND SUMMARY

1. On September 10, 2002, the Commission entered an order suspending Hackman from appearing or practicing before it as an attorney, pursuant to Rule 102(e)(2) of the Commission’s Rules of Practice, 17 C.F.R. § 201.102(e)(2). *In the Matter of Shawn F. Hackman*, Exchange Act Release No. 46478 (the “2002 Order”), Ex. 1, also available at <https://www.sec.gov/litigation/admin/34-46478.htm>. The 2002 Order was based on Hackman’s disbarment by the Supreme Court of Nevada for misappropriating client funds. *In re Discipline of Hackman* (Nev. No. 38826) (April 3, 2002).

2. In 2019, Commission staff became aware of evidence that, from at least 2013, Hackman may have been violating the 2002 Order by drafting and providing legal advice regarding documents that were filed with the Commission by a number of public companies, and by directly communicating with Commission staff on behalf of his clients about SEC filings.

3. The Commission entered a formal order of investigation authorizing members of its staff to investigate whether Hackman had violated, or was violating, the 2002 Order. The staff found, through sworn testimony and documents produced by witnesses (including Hackman), that following Hackman's disbarment and suspension he was employed by two Nevada law firms as a "paralegal," but was permitted to engage in the practice of law—and to appear or practice as an attorney before the Commission—by, among other things, drafting SEC filings for numerous public companies and communicating with Commission staff regarding certain of those filings. Representative documents and testimony that support the staff's findings, and this Application, are attached as exhibits. *See* Ex. 2 (Declaration of Eric Reicher).

4. During its investigation, the staff took sworn testimony from Hackman and subpoenaed records relevant to his work on SEC filings. After initially answering questions posed by Commission staff, Hackman later extensively, but selectively, invoked his Fifth

Amendment right against self-incrimination and refused to answer numerous questions concerning whether he functioned as an “attorney” in drafting SEC filings for approximately 80 public companies. Hackman’s extensive invocation of the Fifth Amendment warrants an adverse inference that he acted as an attorney in connection with those SEC filings. *See, e.g., SEC v. Colello*, 139 F.3d 674, 677 (9th Cir. 1998) (“Parties are free to invoke the Fifth Amendment in civil cases, but the court is equally free to draw adverse inferences from the failure of proof.”).

5. Documents and sworn testimony obtained during the staff's investigation also established that Hackman was paid approximately \$817,438 for work performed in violation of the 2002 Order from January 1, 2016 to the present, including payments from the law firms who employed him and payments from clients who paid him directly for his legal work on SEC filings. See Facts Section II, below, and Ex. 2 (Decl. of Eric Reicher at ¶ 150-152).

PARTIES

6. **The Commission** is an independent agency of the United States Government. The Commission's principal office is located at 100 F Street N.E., Washington, DC 20549.

7. **Shawn F. Hackman**, age 52, resides in Las Vegas, Nevada. Hackman was admitted to the Nevada bar in 1996, but was disbarred in 2002 for misappropriating client funds. *See In re Discipline of Shawn Hackman* (Nev. No. 38826) (April 3, 2002).¹ The Commission's 2002 Order remains in effect, and Hackman remains disbarred from the practice of law.

8. In addition to his disbarment and the 2002 Order that stemmed from it, (A) the United States District Court for the District Court of Nevada issued an unrelated final

¹ Iowa reciprocally disbarred Hackman in 2002. See *In re Shawn Hackman* (Iowa No. 02-0395) (Aug. 29, 2002).

1 judgment against Hackman in 2003 that included: (i) a permanent injunction against
 2 violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Sections 5(a),
 3 5(c) and 17(a) of the Securities Act of 1933; (ii) disgorgement of \$333,645 plus prejudgment
 4 interest of \$117,302.53; and (iii) a penalty of \$450,947.53 (*SEC v. Kankaris Communications,*
 5 *Inc., et al.*, Case No. CV-S-99-0967-LRH (LRL) (D. Nev. Oct. 8, 2003) at Docket Entry 20);
 6 and (B) on February 19, 2004, Hackman pled guilty to one count of Racketeering
 7 Conspiracy and agreed to a Criminal Forfeiture for his role in yet another unrelated
 8 securities fraud (*U.S. v. Chapman, et al.*, Case No. CR-S-03-347-JCM (PAL) (D. Nev. Feb.
 9 19, 2004) at Docket Entry 77).

10 JURISDICTION AND VENUE

11 9. This Court has jurisdiction over this Application pursuant to Sections
 12 21(e)(1) and 27(a) of the Exchange Act, 15 U.S.C. §§ 78u(e)(1) and 78aa(a).

13 10. Venue is proper because certain of the acts, practices, transactions, and
 14 courses of business constituting the violations alleged herein occurred within this judicial
 15 district. Section 27 of the Exchange Act, 15 U.S.C. § 78aa.

16 STATEMENT OF FACTS

17 I. **Hackman Appeared and Practiced as an Attorney Before the Commission in** 18 **Violation of the 2002 Order**

19 11. From at least 2007 until early 2017, Hackman was employed by the Nevada
 20 law firm Harold P. Gewerter, Esq., Ltd. (“Gewerter Law”). Gewerter Law also employed
 21 attorney Elaine Dowling (“Dowling”) from approximately 2014 until mid-2016.² From
 22 mid-2016 to the present, Hackman has been and is employed by the Nevada law firm EAD
 23 Law Group, LLP (“EAD Law”), a solo practice owned and operated by Dowling. At both

25 ² As reflected in a number of the Exhibits, for a period of time the firm operated as Gewerter
 26 & Dowling. But Dowling was never a partner and the legal name of the firm was never
 changed, so for simplicity this Application only refers to the two actual firms.

1 firms, Hackman was ostensibly employed as a paralegal.³ However, as noted above, these
 2 firms permitted Hackman to engage in the practice of law and to appear and practice before
 3 the Commission, in violation of the 2002 Order, by preparing SEC filings for at least 80
 4 public companies.⁴ See Appendix A.

5 12. Hackman's legal work, as relevant here, included regularly:

- 6 • Drafting all, or significant parts of, letters to and filings with the SEC;
- 7 • Advising that particular revisions be made to documents that would be sent to or filed with the SEC (either explicitly, or inherently through the iterative revision process);
- 8 • Drafting and signing opinion letters to be filed with the SEC (through electronic or image-only signatures that facially purported to be Dowling's);
- 9 • Answering legal questions related to SEC filings and related laws, rules, and regulations;
- 10 • Allowing himself to be referred to as "counsel," "attorney," or a similar term;
- 11 • Being paid directly by clients for his legal work;
- 12 • Agreeing that the law firms with which he was associated would take on particular matters; and

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 18 ³ Both Gernerter and Dowling were aware when they hired him that Hackman was a
 19 disbarred felon. Gernerter was also aware of the 2002 Order; it is not clear when Dowling became aware of Hackman's SEC suspension.

20 ⁴ On June 29, 2021 the Commission issued Orders Instituting Public Administrative
 21 Proceedings against Gernerter and Dowling alleging that each violated their ethical
 22 responsibilities by permitting Hackman to engage in the practice of law and appearing or practicing as an attorney before the Commission while employed by their firms. Specifically, each is alleged to have violated Nevada Rules of Professional Responsibility 5.3 (requiring attorneys to properly supervise non-lawyer staff), 5.5(a) (a lawyer shall not assist another in the unauthorized practice of law), and 8.4(c) (a lawyer shall not engage in conduct involving dishonesty, fraud, deceit or misrepresentation). Gernerter agreed to an order permanently suspending him from appearing or practicing before the Commission as an attorney. *In the Matter of Gernerter*, SEC Administrative Proceeding 3-20377, available at <https://www.sec.gov/litigation/admin/2021/34-92292.pdf>. The administrative proceeding against Dowling is pending. *In the Matter of Dowling*, SEC Administrative Proceeding 3-20378, available at <https://www.sec.gov/litigation/admin/2021/34-92293.pdf>.

1 • Agreeing how much the law firms with which he was associated
 2 would be paid by clients for particular work.

3 13. Specific examples of the work described in Paragraph 12 are provided in
 4 subsections A – D below for just a few of Hackman’s clients. The discussion in those
 5 sections is only representative; it reflects far less than all the evidence demonstrating
 6 Hackman’s violation of the 2002 Order.

7 14. The following facts are important in understanding the evidence presented as
 8 part of this Application:

9 a. Even when a draft filing or SEC-related legal advice came from
 10 Dowling’s or Gewerter’s email address, it was often actually Hackman doing the work or
 11 giving the advice.⁵ Indicia that an email was actually Hackman’s work product include:
 12 (A) being sent from a Sprint mobile phone, *see* Ex. 3 (Dowling Tr. at 216:14-18; Dowling
 13 uses Verizon); Ex. 4 (Gewerter Tr. at 59:11-16; Gewerter uses Verizon); Ex. 5 (Hackman
 14 Tr. at 12:17-13:2; Hackman uses Sprint); (B) being both sent from and simultaneously
 15 copied to the same email address, *see* Ex. 6 (Hackman Tr. at 426:8-12) (Hackman invoking
 16 the Fifth when asked whether it was “more likely than not” that emails sent from and
 17 simultaneously copied to Dowling’s address were actually sent by him); and (C) containing
 18 incomplete sentences, extreme informality, and multiple typos or similar errors, *see e.g.* Ex.
 19 3 (Dowling Tr. at 208:10-209:7) (acknowledging that Hackman’s emails were informal and
 20 often contained typos, whereas hers were more “polished”).

21 b. Similarly, even when an opinion letter or other SEC-related document
 22 appeared to have been signed by Dowling, often her “signature” was actually a typed-only
 23 or image-only version affixed by Hackman. *See, e.g.,* Ex. 7 (Dowling Tr. at 377:23-378:9)
 24 (it was Dowling’s “normal practice to want a wet signature [i.e., an ink signature] on an

25 ⁵ If the Commission’s staff had reason to believe that Dowling or Gewerter may in fact have
 26 been the author of or otherwise significantly involved in drafting or reviewing a particular
 27 document, it has not submitted that as evidence in connection with this Application.

opinion letter” if she was actually involved). Hackman took the Fifth when asked whether, “in the vast majority of cases” where an opinion letter was issued over Dowling’s electronic signature, “she never reviewed it before it was issued.” Ex. 6 (Hackman Tr. at 422:7-18). Dowling acknowledged that Hackman provided “legal opinions without my consent pretty rashly. And without me even knowing.” Ex. 10 (Dowling Tr. at 669:11-16); *see also* Ex. 7 (Dowling Tr. at 509:21-510:19) (Dowling’s lack of involvement re Sharp S-1, which included an opinion letter).⁶

A. Iarocci-Related Companies⁷

15. DCA Asset Management (“DCA”), a company purportedly focused on asset management and investment banking services, and Apex 11 (“Apex”), a blank check company, were both controlled by Anthony Iarocci. Iarocci hoped to register shares of each company with the Commission by filing a Form 10.⁸ Iarocci turned to Hackman to draft the necessary SEC filings.

16. It was Iarocci's understanding that Hackman was an attorney, and he referred to him as such in written communications. Ex. 13/TE⁹ 3 at p.1 (July 10, 2019)

⁶ On other occasions Hackman drafted and signed (using Dowling's name) attorney opinion letters supporting a client's payment directly to himself. See Ex. 8/TE 1069; Ex. 9/TE 1069A (metadata showing Hackman (whose computer was named "Rumplestiltskin" at the time) last modified the document); Ex. 10 (Dowling Tr. at 663:10-16) (Dowling did not review, sign, or approve the letter); Ex. 6 (Hackman Tr. at 542:25-544:5) (taking the Fifth as to whether Dowling had any involvement in the letter); see also Ex. 11/TE 930 and Ex. 12/TE 930A (metadata showing Hackman (whose computer was named "EadLawGroup" at the time) last modified the document); Ex. 3 (Dowling Tr. at 193:23-194:16) (Dowling does not believe she reviewed the opinion letter); and Ex. 6 (Hackman Tr. at 539:9-540:9) (taking the Fifth when asked if Dowling reviewed the opinion letter).

⁷ This Application does not, and should not be read as intending to, allege any misconduct by the named companies and individuals other than Hackman, Dowling, and Gewerter.

⁸ See Appendix B for a list of relevant SEC forms and a brief description of each type. While counsel does not typically sign SEC filings, preparing all or a portion of an SEC filing constitutes appearing or practicing before the Commission. See Commission Rule of Practice 102(f) [17 C.F.R. 201.102(f)] and 17 C.F.R. 205.2(a)(1).

⁹ "TE" stands for Testimony Exhibit. Many of the exhibits used in this Application were also used as exhibits in the Commission's investigative testimony. This Application

1 email introducing Hackman as his “SEC attorney”); Ex. 14 (Iarocci Tr. at 55:2-23). On
 2 August 14, 2020, when advised by corporate counsel to send a final proof of the Apex
 3 Form 10 to “your attorney and your auditors,” Iarocci sent the documents to Hackman
 4 (along with the auditor and a non-legal consultant). Ex. 15/TE 1146 at p. 1.

5 17. Legal Advice. Iarocci testified that he turned to Hackman, not Dowling, for
 6 legal advice on his SEC filings, and that he had no contact at all with Dowling prior to
 7 receiving an SEC subpoena in Fall 2019—well after his companies had relied on Hackman
 8 to prepare a number of SEC filings. Ex. 14 (Iarocci Tr. at 56:2-57:3; 63:16-64:1; 68:13-
 9 69:13; 73:2-12; 78:24-79:15; 96:23-97:14; 107:1-108:14; 122:10-123:1; 134:11-23). There is
 10 no indication that Hackman consulted with Dowling prior to responding to Iarocci’s legal
 11 questions. Examples of Hackman’s legal advice on SEC-related matters include:

12 a. On July 31, 2018, Hackman advised what financial disclosures were
 13 required with a new registration statement and how dividends would be disclosed in a later
 14 filing. Ex. 16/TE 4 at p. 1.

15 b. In an August 6, 2018 email string, Iarocci asked Hackman a series of
 16 questions regarding why language referring to Apex as an “emerging growth
 17 company/blank check” was included in the draft Form 10. Hackman responded, “Since
 18 the initial Form 10 included the Emerging Growth language and the Company remains a
 19 blank check [] I left this in so as to not generate questions as to what had changed within
 20 the company to merit the removal.” After further comment by Iarocci, Hackman
 21 responded, “Yeah its [sic] generic but [has] been approved [by the SEC] many times.” Ex.
 22 17/TE 13 at p.1. The filed Apex Form 10 stated the company was an “emerging growth
 23 company,” consistent with Hackman’s advice. *See* Ex. 18 at p. 2.

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 25 frequently cites testimony transcripts that refer to documents using the original (TE) exhibit
 26 number, so including that information (where applicable) will aid the Court and parties in
 27 understanding the testimony transcripts.
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1 c. In a February 4, 2019 email string, Iarocci asked Hackman a series of
 2 questions concerning what DCA would have to file regarding Apex 10, another entity
 3 Iarocci was in the process of obtaining an interest in. Hackman advised what information
 4 must be disclosed, what other types of filings instead of a Form 10 might be an option, and
 5 that additional disclosures may be required if there was a substantial delay between when
 6 Iarocci acquired Apex 10 and when DCA made the filing. Ex. 19/TE 16B.¹⁰

7 d. In a January 17, 2019 email string, Iarocci asked Hackman a series of
 8 questions about the process to get the SEC to declare an Apex securities offering effective
 9 and options for strategic transactions once Apex's offering was declared effective.
 10 Hackman explained the various SEC filings that would be required, including what filings
 11 would be required to include shareholders in a separate entity in which Iarocci had an
 12 interest. Hackman further advised on the Board of Directors' obligation to use its
 13 reasonable business judgment in assessing any potential strategic transaction. Ex. 20/TE
 14 18 at p.1.¹¹

15 e. In a June 25, 2019 email, Apex's auditor told Iarocci he should consult
 16 with "SEC counsel" about whether Apex needed to file a Form 10-K (which the SEC had
 17 requested), or whether the auditor was correct that an auditor's opinion should be
 18 sufficient. Iarocci forwarded the email to Hackman and asked his opinion, to which
 19 Hackman replied "I agree with [the auditor] that a 10k should not be needed." Ex. 21/TE
 20 32 at p.1.

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 22¹⁰ Dowling acknowledged that the advice provided by Hackman on this matter constituted
 23 legal advice only a lawyer could properly provide, and she had no recollection of Hackman
 24 discussing the questions with her before he provided a response to Iarocci. Ex. 7 (Dowling
 Tr. at 586:17-587:16).

25¹¹ Dowling acknowledged that the advice provided by Hackman on this matter constituted
 26 legal advice only a lawyer could properly provide, and she had no recollection of Hackman
 27 discussing the questions with her before he provided a response to Iarocci. Ex. 7 (Dowling
 Tr. at 589:6-590:17).

1 18. Legal Work Product. Hackman drafted and/or revised SEC filings for DCA
 2 and Apex, and there is no indication that Dowling was involved in that process. Examples
 3 of Hackman's work product include:

4 a. On October 9, 2018, Hackman sent a revised draft of the DCA Form 10
 5 that addressed a series of comments raised by the auditor. Hackman stated, "A couple of
 6 these I just said I would add rather than spend the time having the debate." Ex. 22/TE 5 at
 7 p.1.

8 b. On July 24, 2018, Hackman sent a revised version of the DCA Form 10
 9 and advised that he has "[j]ust a bit more to do on Apex 11" and hoped to circulate a draft
 10 the next day. The email string also includes an earlier email indicating that Hackman was
 11 "making good progress on both Form 10's." Ex. 23/TE 12 at p.1.

12 c. On September 20, 2018, Hackman circulated version five of the DCA
 13 Form 10, and on October 11, 2018, he sent version six, both of which he prepared. Exs.
 14 24/TE 14 and 25/TE 15.

15 d. On April 24, 2019, Hackman circulated a draft of Apex's amended Form
 16 10 and an accompanying letter to the SEC,¹² and advised that it would be prudent to
 17 increase the stated time it would take to file a 10-K if there was uncertainty as to the ability
 18 to meet the then-disclosed timeline. Ex. 26/TE 24A.

19 e. On July 31, 2020, at Iarocci's behest, Hackman was sent a draft of the
 20 Apex Form 10 to review. Ex. 27. On August 10, 2020, Hackman made certain revisions
 21 and indicated it "[s]hould be ready to file." Ex. 28 at p.1. The next day he provided a
 22 revised draft. *Id.* Hackman took the Fifth when asked whether he consulted with Dowling

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 25 ¹² When a company makes certain filings with the SEC (such as an S-1 or Form 10), the
 26 SEC will often issue comment letters raising questions or asking that certain disclosures be
 27 modified. The company, in turn, provides a letter response to the SEC and also files an
 28 amended version of the document that reflects any changes the company agreed to make.

1 before determining that the Form 10 was ready to file and whether she had actually
 2 reviewed it before it was filed. Ex. 6 (Hackman Tr. at 430:9-15).

3 19. Failure to correct impression Hackman is an attorney. Iarocci's longtime
 4 corporate counsel, Jon Coury, did not have significant experience with Form 10 filings.
 5 Ex. 14 (Iarocci Tr. at 29:8-30:17). Coury deferred to Hackman on securities law issues
 6 because he understood Hackman to be an experienced securities law attorney. For
 7 example, on November 11, 2018, Coury provided comments to the DCA Form 10 and
 8 stated that he was "deferring ultimately to Shawn and [the auditor] for their expertise
 9 relating to the Form 10 and financial statements, respectively." Ex. 29/TE 7A at p.1. On
 10 November 21, 2018, Coury sent another draft of the DCA Form 10 and asked Hackman
 11 whether disclosure language concerning DCA investments was necessary and adequate,
 12 and whether certain contracts should be attached as exhibits to the filing. Hackman
 13 advised that the contracts should be included, and that the disclosure drafted by Coury
 14 "should be adequate for Form 10 purposes." Ex. 30/TE 7B at p. 1. And on December 3,
 15 2018, Coury sent comments regarding the Apex Form 10 and asked Hackman whether the
 16 price per share to purchase additional equity was a material term that should be disclosed.
 17 (Hackman did not address that question in the email, but did advise on certain other
 18 matters relating to the filing.) Ex. 31/TE 8 at p.1.

19 20. On August 24, 2020, Coury recounted to Iarocci a conversation he had with
 20 an SEC staff attorney reviewing the Apex Form 10. Coury noted his thought to create a
 21 single response to the comments made by the SEC staff member, stated "some of this will
 22 need to address the issues with Apex 11 counsel (Shawn)," and encouraged Iarocci to send
 23 it to the "counsel that drafted the Form 10" for a response. Ex. 32/TE 1097 at p.1. Iarocci
 24 forwarded Coury's email to Hackman and two non-lawyer consultants. *Id.* Hackman took
 25 no steps to address either (1) Coury's and Iarocci's written statements that Hackman was
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1 Apex's counsel, or (2) Coury's and Iarocci's obvious impression that Hackman was acting
 2 as counsel with respect to the Form 10.

3 21. Hackman took the Fifth when asked whether he functioned as "counsel" in
 4 preparing the various SEC filings made by DCA and Apex, which includes the Form 10s
 5 filed by DCA and Apex 11 on January 3, 2019 and December 18, 2018, respectively, and
 6 various amendments filed for each company. Ex. 6 (Hackman Tr. at 433:24-434:18).

7 **B. Smith-Related Companies**

8 22. Two companies controlled by Tracy Smith were Sharp, Inc. and
 9 Downkicker, Inc., each of which purported to be in the real estate business. Smith sought
 10 to register Sharp shares with the Commission through an S-1 filing, and to separately make
 11 an unregistered offering of Downkicker securities.

12 23. Smith only had one very preliminary conversation that included Dowling
 13 regarding Sharp, and is unaware of involvement by her on work for Sharp. Ex. 33 (Smith
 14 Tr. at 332:5-21). Instead, Smith testified that Hackman functioned as his "counsel" for
 15 SEC filings on behalf of Sharp, Downkicker, and other entities. He stated that Dowling
 16 was just the "face" of EAD Law, "Shawn is basically doing the work," and it was "pretty
 17 well clear and established that he's [Hackman] running the [expletive] place" (meaning
 18 EAD Law). *Id.* at 81:2-22; 264:2-13.¹³

19 24. Legal Work Product and Related Advice. Hackman did the legal work for
 20 Sharp's and Downkicker's SEC filings. Smith testified that he and Hackman "worked
 21 daily together to get [the Sharp S-1] done," that Hackman was responsible for "every bit
 22 of" the Downkicker Form ID (filed in March 2017), and that Hackman was similarly
 23 responsible for the Downkicker Form D (filed in April 2017). *Id.* at 261:19-262:14; 263:21-
 24 264:13; 331:22-332:4. Examples of Hackman's legal work on SEC documents includes:

25 ¹³ Smith has a construction background and used the analogy of an individual who could
 26 not get a contractor's license (*e.g.* because of a criminal record) paying a fee to a licensed
 27 contractor to "rent" use of that person's license. *Id.*

1 a. On August 15, 2019, Smith sent a draft section of the Sharp S-1 for
 2 Hackman to review, imploring him, “Let[’s] get this done man, I would like to get this filed
 3 Friday” and indicating that “I will also work on getting some more cash [for Hackman] for
 4 Friday morning.” Ex. 34/TE 679.

5 b. On August 28, 2019, Hackman sent Smith a copy of the Sharp S-1 and a
 6 document titled “Final Legal Opinion” purportedly signed by Dowling. Ex. 35/TE 681.
 7 Later that day, Smith asked Hackman to make certain revisions to the S-1 and, after
 8 making the revisions, Hackman opined the filing “Should be good to go to edgar [the
 9 SEC’s filing system].” Ex. 36/TE 682 at p. 1. Hackman took the Fifth when asked if
 10 Dowling had reviewed the Sharp S-1 or accompanying legal opinion letter. Ex. 6
 11 (Hackman Tr. at 523:9-25). Dowling testified that she did not recall working on the Sharp
 12 S-1 and acknowledged that, if Hackman did that work without her involvement, it would
 13 violate his disbarment. Ex. 7 (Dowling Tr. at 509:21-510:19).

14 c. On September 4, 2019, Smith asked Hackman, an auditor, and an
 15 accountant to review a draft amendment to the S-1 and give their clearance to file it with
 16 the SEC. Hackman advised the next day, “No comments from here on the body.” Ex.
 17 37/TE 684. That same day, and in response to the same email, Hackman sent a draft of
 18 the subscription agreement (which he had also prepared) that would be used as an exhibit
 19 to the amended S-1 filing. Ex. 38/TE 685.

20 d. On August 29, 2019, Smith sent a question regarding the financial
 21 statements that would be filed with the Sharp S-1. The response came from Dowling’s
 22 email address, but it was actually Hackman responding from his mobile phone. Ex. 39/TE
 23 680 at p. 1.

24 e. On October 17, 2019, Dowling’s email address sent (and copied itself on)
 25 a draft of an SEC comment response letter. Ex. 40/TE 690. Metadata shows that the
 26 computer used to last modify the document was named “EadLawGroup,” which was the

1 name of Hackman's computer at the time. Ex. 41 (showing metadata); Ex. 6 (Hackman
 2 Tr. at 482:16-483:3).

3 f. On November 4, 2019, Dowling's email address sent a revised S-1 and
 4 corresponding comment letter. Ex. 42/TE 692. However, metadata shows that Hackman
 5 made the last modifications to the document. Ex. 43. Smith testified that he believed
 6 Hackman sent and prepared the documents without review or other involvement by
 7 Dowling. Ex. 33 (Smith Tr. at 368:12-25).

8 g. Hackman regularly texted with Smith about legal issues concerning SEC
 9 filings, including how to respond to a comment letter from the SEC regarding Sharp's S-1.
 10 See Ex. 44/TE 687 at pp. 1, 13-14, 20, 24, 32-34, 40-41, and 45.

11 h. An accountant who worked for Smith-related companies frequently
 12 asked Hackman to do work on SEC comment letters, or asked Smith to speak to Hackman
 13 about matters pertaining to SEC filings.¹⁴ See, e.g., Ex. 45/TE 688 (asking Hackman to
 14 prepare a draft and specifically address issues raised in two SEC comments) and Ex. 46/TE
 15 691 (asking Smith to "go through the rest [of the comment response letter and
 16 corresponding changes to the S-1] and with Shawn's help make sure the comments are all
 17 addressed and responded to."). Smith testified that Hackman reviewed the response to the
 18 SEC, and he had no reason to believe that Dowling had any involvement. Ex. 33 (Smith
 19 Tr. at 367:7-19).

20 25. Direct Payments to Hackman. Hackman's texts repeatedly refer to Smith
 21 making payments directly to Hackman via Chime, a mobile payment platform, for
 22 Hackman's legal work. See Ex. 44/TE 687 at 2-3, 5-7, 9, 11, 16, 21-25, 32, 37-38, 40-42.
 23 Smith paid Hackman at least \$2,260 for SEC-related work on behalf of Sharp and other
 24 companies. See Ex. 47/TE 695 (Hackman Chime records showing frequent payments from
 25

26 ¹⁴ The obvious inference is that the accountant believed Hackman was Smith's attorney for
 27 SEC-related matters. Hackman took no steps to correct this misimpression.
 28

1 Smith); Ex. 44/TE 687 (at, e.g., pp. 32 and 35-36) (other companies). Similarly, although
 2 Hackman provided invoices from EAD Law for his work on the Sharp S-1, *see* Ex. 48/TE
 3 696, Smith paid Hackman directly (via Walmart2Walmart money transfer) for the work.
 4 Ex. 33 (Smith Tr. at 383:8-384:17). Finally, Downkicker paid Hackman at least \$20,000
 5 for his work on the filings. *See* Ex. 33 (Smith Tr. 318:12-319:6); Ex. 49/TE 672 at pp. 1-5
 6 (showing wires to Hackman's Citibank account); Ex. 50/TE 673 at pp. 3 and 8 (showing
 7 payments to Hackman's Wells Fargo account); Ex. 51/TE 674 at pp. 1-4 (showing
 8 payments via Square to Hackman's Citibank account).

9 26. Hackman took the Fifth when asked if he functioned (1) as an attorney in
 10 preparing Sharp's S-1, including the various amendments filed as part of the SEC comment
 11 process, and (2) as "counsel" on Downkicker's Form D. Ex. 6 (Hackman Tr. at 525:1-11,
 12 528:11-24).

13 27. Smith testified that, even after the Commission started its investigation of
 14 whether Hackman was violating the 2002 Order, in his experience little substantively
 15 changed at EAD Law with respect to Hackman's role in preparing SEC filings for clients.
 16 He stated that it was "business as usual for the most part [i.e., Hackman doing the legal
 17 work] [but it] was a little different outward appearance" with greater attempts to mask
 18 Hackman's involvement. Ex. 33 (Smith Tr. at 366:15-367:6). He likened the situation to a
 19 "chameleon" who has to adjust his appearance to survive. *Id.*

20 **C. Blaszcak-Related Companies**

21 28. Brian Blaszcak had an ownership interest in, or consulted with, numerous
 22 companies. He worked with Gewerter and Hackman for a number of years through
 23 Gewerter Law. However, starting in approximately 2014, Gewerter became focused on a
 24 project in Costa Rica, so Blaszcak turned to Hackman almost exclusively for his SEC-
 25 related legal work. Ex. 52 (Blaszcak Tr. at 54:25-56:14). He did not substantively deal
 26 with Dowling at Gewerter Law. *Id.* at 51:23-52:7; 57:21-24. When Gewerter and Dowling
 27
 28

1 split, he took his business to EAD Law solely because he wanted to continue working with
 2 Hackman. *Id.* at 57:25-58:13.¹⁵ At EAD Law, Blaszczak had very limited substantive
 3 interactions with Dowling and continued to turn to Hackman for his legal work on SEC
 4 filings. *Id.* at 58:14-59:24.

5 29. Blaszczak testified it was his understanding that Hackman was a licensed
 6 attorney,¹⁶ he considered Hackman his and his companies' "attorney," and he referred to
 7 Hackman as such in written communications. *See, e.g.*, Ex. 52 (Blaszczak Tr. at 46:3-12;
 8 48:20-49:21); Ex. 53/TE 850 (January 11, 2018 email stating "I have worked with this
 9 attorney [Hackman] extensively over the years . . ." ¹⁷). (Similarly, an individual engaged
 10 in negotiations with Blaszczak to buy Tenaya Acquisitions (and who was therefore
 11 involved in drafting the SEC filings that would disclose the transaction) understood
 12 Hackman to be functioning as "counsel" for Tenaya Acquisitions on the deal and filings.
 13 When the proposed transaction soured, the individual addressed his demand letter for
 14 damages from Tenaya Acquisitions to "Shawn Hackman, Esq." Ex. 55/TE 127; *see also*
 15 Ex. 56/TE 523 and Ex. 57/TE 522.)

16 30. At least three of Blaszczak's companies, Tenaya Acquisitions, Inc. ("Tenaya
 17 Acquisitions"), Tenaya Group, Inc. ("Tenaya Group"), and Lucent, Inc., sought
 18 Hackman's legal assistance with S-1s, related amendments, and other filings with the
 19 Commission. Hackman's legal work for Blaszczak-related companies included:

20
 21¹⁵ Blaszczak volunteered that, had Hackman started his own firm (or joined a different firm),
 22 he would have gone to that firm rather than EAD Law. *Id.*

23¹⁶ Blaszczak knew there was a period of time Hackman had not been permitted to practice
 24 law, but it was his understanding that Hackman had been readmitted (or a temporary
 25 suspension had lapsed) by the time he worked with him. Ex. 52 (Blaszczak Tr. at 74:1-23).

26¹⁷ Hackman is not named in this email, but in the preceding part of the string someone else
 27 wrote "I am sending [a document] to our SEC attorney in 30 minutes." *Id.* He sent the
 28 document to Hackman and the context makes clear that they are both referring to
 Hackman. *See* Ex. 54/TE 851.

1 a. On March 22, 2016, Blaszczak sent Hackman a version of the Tenaya
 2 Acquisitions S-1 and told Hackman he needed his “expertise” and particularly wanted help
 3 with “legal jargon on why we are resubmitting [to the SEC] and also I am not sure how to
 4 word extending the offering period.” Ex. 58/TE 125A.¹⁸ Blaszczak confirmed that he was
 5 looking for legal expertise from Hackman. Ex. 52 (Blaszczak Tr. at 79:22-80:13). Three
 6 days later, Hackman sent Blaszczak a revised draft of the Tenaya Acquisitions S-1, but
 7 noted that he was still reviewing it. Earlier emails in the string make multiple references to
 8 Hackman being expected to revise the document. Ex. 59/TE 122 at pp. 1-2.¹⁹

9 b. On May 24, 2016, Blaszczak sent Hackman a Tenaya Acquisitions S-1
 10 amendment and asked Hackman to particularly look at the section explaining why the
 11 company was making an amended filing. Ex. 60/TE 524. On May 27, 2016, after
 12 Hackman’s review, Tenaya Acquisitions filed the amended S-1.

13 c. On April 18, 2018, Blaszczak sent Hackman a portion from the Tenaya
 14 Group S-1 and asked him whether language regarding the share price was properly worded
 15 and whether a discussion of funds raised through a private placement was appropriate.
 16 Hackman advised, “Both are fine.” Ex. 61/TE 125B at p. 1.

17 d. On April 27, 2018, Hackman sent a final version of the Tenaya Group S-
 18 1 attorney opinion letter with an electronic signature purporting to be Dowling’s. Ex.
 19 62/TE 532 (email); Ex. 63/TE 532A (letter); Ex. 64/TE 532B (metadata showing
 20 Hackman as author and last modifier).²⁰ The S-1 was filed on May 29, 2018.

22 ¹⁸ Although Blaszczak sent the email to Gewerter’s address, it asks “Shawn” for assistance
 23 and Blaszczak confirmed that he understood Hackman to be both the recipient of the email
 24 and the one doing the work. Ex. 52 (Blaszczak Tr. at 84:17-85:5).

25 ¹⁹ This exhibit also mentions Arrington Jones, another company for which Hackman was
 26 preparing SEC filings. Hackman took the Fifth when asked whether he functioned as
 27 “counsel” on Arrington Jones’s SEC filings. Ex. 6 (Hackman Tr. at 451:11-24).

28 ²⁰ At the time of this letter, Hackman’s computer was named “Rumplestiltskin.” Ex. 5
 (Hackman Tr. at 84:1-19).

1 e. Hackman advised on multiple rounds of comment letters with the SEC
 2 regarding the Tenaya Group S-1, including advising on certain revisions to the S-1. *See Ex.*
 3 52 (Blaszcak Tr. at 143:3-145:13); Ex. 65/TE 534; and Ex. 66/TE 535. The amended S-1,
 4 reflecting Hackman's advice, was filed on August 13, 2018.

5 f. On April 3, 2020, Hackman sent Blaszcak a draft he had prepared of a
 6 Tenaya Group "semi super 8k" to be filed with the Commission to disclose a material
 7 agreement. Ex. 67; *see also* Ex. 52 (Blaszcak Tr. at 155:22-157:14) (Hackman was
 8 responsible for preparing the 8-K); and Ex. 68/TE 542 (April 2, 2020 email sending
 9 Hackman related documents). The 8-K reflecting Hackman's advice and work product
 10 was filed on May 8, 2020.

11 g. On May 29, 2019, Blaszcak emailed the Lucent principals a draft of an
 12 S-1 and asked them to "pay the lawyers" because he needed legal input on certain
 13 highlighted provisions. Blaszcak forwarded the email to Hackman asking, "read below S-
 14 1 section need your expertise!!!!!!" Ex. 69/TE 584. Blaszcak confirmed that he was
 15 seeking legal advice from Hackman. Ex. 52 (Blaszcak Tr. at 259:8-19). On June 12,
 16 2019, Hackman sent Blaszcak the revisions he advised Blaszcak to make to the Lucent S-
 17 1. Ex. 70/TE 585. That same day, Dowling's email address sent an S-1 opinion letter with
 18 an electronic signature purporting to be Dowling's. Ex. 71/TE 586 (email) and Ex. 72/TE
 19 586A (attached letter). Hackman took the Fifth when asked whether Dowling ever
 20 reviewed the Lucent opinion letter and whether she authorized him to use her electronic
 21 signature on the letter. Ex. 6 (Hackman Tr. at 575:22-576:8). Lucent filed its initial S-1 on
 22 June 20, 2019 and subsequently filed at least six amendments. Hackman took the Fifth
 23 when asked whether he "functioned as counsel on all of Lucent's SEC filings." *Id.* at
 24 574:21-575:4.

25 h. On April 7, 2020, Blaszcak sent Hackman an email asking for his advice
 26 on how to respond to SEC comments concerning the dilution of Lucent shares. Ex. 73/TE
 27
 28

1 587. Blaszczak and Hackman had a call to address the question; Dowling did not
 2 participate. Ex. 52 (Blaszczak Tr. at 265:23-266:10).

3 31. Direct Payments to Hackman. Blaszczak or his consulting company
 4 regularly paid Hackman directly for legal work on SEC-related matters. *See, e.g.,* Exs.
 5 74/TE 593 (showing \$1,085 wire from Blaszczak to Hackman) and 75/TE 594 (showing
 6 \$5,000 wire from Summit Business Services to Hackman).²¹

7 32. Hackman took the Fifth when asked whether he had functioned as “counsel”
 8 for all of Tenaya Acquisitions’ and all of Tenaya Group’s SEC filings. Ex. 6 (Hackman Tr.
 9 at 451:4-451:10; 576:19-577:6). He likewise took the Fifth when asked whether he
 10 functioned as “counsel” in preparing Lucent’s SEC filings. *Id.* at 574:18-575:4.

11 D. Southworth-Related Companies

12 33. Failure to correct impression Hackman is an attorney. Kim Southworth
 13 owns or consults for a number of companies. He acknowledged that Hackman functioned
 14 as his “attorney” for a number of those companies. Ex. 77 (Southworth Tr. at 382:24-
 15 383:1).²² He repeatedly referred to Hackman as his “attorney” in email communications,
 16 and asked Hackman to do the “legal” review of documents. *See, e.g.,* Ex. 79/TE 46 at pp.
 17 1-3 (sending Hackman questions he said would be answered by “my attorney”) and Ex. 78
 18 (Southworth Tr. at 76:4-9, confirming he was referring to Hackman); Ex. 80/TE 47A at p.
 19 1 (stating a prior “transaction went through my attorney who at the time was with the law
 20 firm of Harold Gewerter”) and Ex. 78 (Southworth Tr. at 78:12-20, confirming he was

21 ²¹ At least one payment may have been for Tenaya work. *See* Ex. 52 (Blaszczak Tr. at
 22 300:16-301:13). Other payments were for work on behalf of other Blaszczak-related
 23 companies. *See, e.g.,* Ex. 76/TE 941 at p. 1 (\$500 Venmo payment for “Astika S-1”).

24 ²² Southworth acknowledged he knew Hackman had been disbarred, but he believed
 25 Hackman still had the knowledge to function as securities counsel and was cheaper than
 26 other (licensed) attorneys. Ex. 78 (Southworth Tr. at 68:14-24; 106:20-25). It is not clear
 whether Southworth, a lay person, understood the implications and potential ramifications
 of hiring a disbarred lawyer to act as his “attorney.”

1 referring to Hackman); Ex. 81/TE 48A at p. 1 (“I will just have you [Hackman] be the
 2 attorney behind” a project and discussing various SEC filings); Ex. 82/TE 114 at p. 1
 3 (stating “I finally got the attorney to finish it up and get it over to me” in response to an
 4 email from Hackman attaching an S-1 for Granito²³); Ex. 77 (Southworth Tr. at 300:5-13)
 5 (confirming he was referring to Hackman); Ex. 83/TE 130 at pp. 1-2. Southworth did not
 6 work much with Dowling when she and Hackman were at Gewerter Law, and when he
 7 has needed legal work since the formation of EAD Law he has turned to Hackman. Ex. 78
 8 (Southworth Tr. at 21:9-17). Hackman did not make any efforts to correct the impression
 9 he was an attorney, even when specifically referred to as such in Ex. 81/TE 48A.
 10 Hackman took the Fifth when asked whether he “function[ed] as Mr. Southworth’s
 11 attorney for many entities that he had an interest in.” Ex. 6 (Hackman Tr. at 449:19-25).

12 34. Gold Standard Mining Company (“GSMC”) was a Southworth-related
 13 blank check company Hackman represented in connection with the S-1 registration
 14 process. Hackman drafted its SEC filings, including its original S-1 filed May 3, 2017 and
 15 numerous subsequent filings. Examples of Hackman’s legal work for GSMC include:

16 a. On January 19, 2017, Hackman sent Southworth and an accountant a
 17 draft he had prepared of the GSMC S-1. Ex. 84/TE 68. He sent another draft on April 2,
 18 2017. Ex. 85/TE 69. On April 4, 2017, Hackman made revisions in response to comments
 19 from the accountant. Ex. 86/TE 71A; Ex. 87/TE 70.

20 b. On May 8, 2017, the accountant asked whether certain documents
 21 should be filed as an amendment. Hackman responded that, in light of discussions with
 22 the SEC reviewer who did not mention the documents, he recommended against filing an
 23 amendment at that time. Ex. 88/TE 49 at p.1. (The accountant’s email also raised
 24 questions regarding SEC filings for Triton Acquisitions, Anfield Acquisitions, and

25 ²³ Granito was another client for which Hackman drafted and advised on SEC filings in
 26 violation of the 2002 Order. Hackman took the Fifth when asked whether he served as
 27 “counsel” for Granito. Ex. 6 (Hackman Tr. at 449:19-21).
 28

1 Fortuneswell, three other Southworth entities for which Hackman did work in violation of
 2 the 2002 Order.)

3 c. On September 8, 2017, Dowling's email address sent a revised draft of
 4 the GSAC S-1, indicating "*I have also added the 6 months column . . .*" Ex. 89/TE 72A
 5 at p. 1 (italics added). Track changes show it was Hackman who made the revisions, *see*
 6 Ex. 90/TE 72B, and the document's metadata shows that he authored and last modified
 7 the document, *see* Ex. 91/TE 72C. There are other examples of Hackman using Dowling's
 8 email to convey drafts of GSAC filings, particularly when the auditor (Brad Hersack) was
 9 included in the email strings. *See, e.g.*, Ex. 92/TE 73 and Ex. 93/TE 75.²⁴ Southworth
 10 testified he had no reason to believe Dowling was involved in the review of these drafts,
 11 even though they were sent from her email address. Ex. 78 (Southworth Tr. at 144:16-20;
 12 151:1-21).

13 d. On November 20, 2017, Southworth asked Hackman to review a draft
 14 post-effective amendment for GSAC's Form S-1 and inquired whether information
 15 regarding GSAC's ownership had been adequately disclosed. Hackman opined that the
 16 disclosure was adequate and advised against making changes. Ex. 96/TE 76 at p. 1. Two
 17 days later, GSAC filed the post-effective amendment reflecting Hackman's legal advice.

18 e. On March 27, 2018, Hackman sent a draft he had prepared of the GSAC
 19 10-K to be filed with the Commission. Ex. 97/TE 77. GSAC filed its 10-K on March 30,
 20 2018.

21 35. Direct Payments to Hackman. Southworth paid Hackman directly for at
 22 least some of his work on GSAC's filings. Ex. 98/TE 79 (March 23, 2018 \$250 invoice);
 23 Ex. 99 at p.1 (March 27, 2018 \$250 deposit to Hackman made from Southworth's Arizona

24 ²⁴ In a part of the string that did not include Hersack, the accountant asked "Shawn" to
 25 make certain changes even though the email was sent to Dowling's address. Ex. 92/TE 73
 26 at p. 1. The revised document was sent from Dowling's email address, but metadata and
 27 track changes show it was Hackman making the changes. Ex. 94/TE 73A (metadata) and
 28 Ex. 95/TE 73B (track changes).

1 hometown). The entity that subsequently took control of GSAC directly paid Hackman
 2 an additional \$10,000. *See Id.* at 2 (showing \$10,000 payment on August 3, 2018); *see also*
 3 Ex. 100/TE 707 at p. 1 (board resolution authorizing \$7,500 payment to Hackman; it is not
 4 clear why the final payment was higher than authorized). Other direct payments to
 5 Hackman for SEC-related work on behalf of Southworth-related companies include: Exs.
 6 101/TE 52 and 102/TE 545 (collectively showing \$4,000 payment for SEC filings); Ex.
 7 103/TE 1030 (two checks totaling \$5,000, labeled “legal/Reg A plus” and “legal/Reg A+
 8 Commerce Holdings,” respectively); Ex. 104/TE 1147 (referencing two payments via Zelle
 9 totaling \$550 for “legal services”); Ex. 6 (Hackman Tr. at 627:3-19, taking the Fifth
 10 regarding whether numerous payments, including one for \$4,800, deposited from
 11 Southworth’s hometown in Arizona were from Southworth and for “legal work”).

12 **E. Other Indicia Hackman Acted as an Attorney in Connection with**
 13 **SEC-Related Legal Work.**

14 36. The descriptions of Hackman’s legal work in connection with SEC filings
 15 and related SEC matters described in Subsections A – D are representative of the work he
 16 performed not only for the companies discussed, but also on SEC filings and related SEC
 17 matters on behalf of each of the companies identified in Addendum A to this Application.
 18 Hackman exercised his Fifth Amendment rights when asked whether Gewerter or Dowling
 19 supervised his work on SEC filings, Ex. 6 (Hackman Tr. at 400:14-22 and 403:11-17),²⁵ and
 20 when asked whether he functioned as “counsel” for each of these companies’ SEC filings.
 21 *See id. at passim.*

22
 23
 24 ²⁵ Hackman’s transcript refers to TE 1092 and TE 1092A, attached here as Exs. 105 and
 25 106, which are list of securities law clients prepared by Hackman himself. The companies
 26 listed in Appendix A are similar to those in the testimony exhibits, but certain companies
 27 are excluded from the appendix because Hackman’s securities work for the companies did
 28 not involve SEC filings; conversely, Appendix A includes some companies Hackman did
 SEC filings for that were not on Ex. 105/TE 1092 and Ex. 106/1092A.

1 37. In addition to the specific work product reflecting Hackman's legal drafting
 2 and revisions on SEC filings and comment letter responses, the emails and texts reflecting
 3 Hackman's legal advice relating to SEC matters, and the testimony from several witnesses
 4 that Hackman functioned as their attorney, there are other indicia that Hackman was
 5 acting as an attorney in connection with SEC-related matters. As with the evidence
 6 described thus far, this section enumerates only representative examples of these indicia.

7 38. Lack of Supervision. There is little evidence of Gernerter or Dowling
 8 supervising Hackman in any way,²⁶ and abundant evidence that Hackman was working on
 9 his own most of the time. (As noted above, even clients had the impression that Hackman
 10 was the one actually running EAD Law's SEC-related practice.) *See, e.g.,* Ex. 107/TE 813
 11 (Travel records showing Gernerter was out of the country a significant part of 2015 and
 12 2016); Ex. 52 (Blaszczak Tr. at 54:10-15, "Harold's primary business at the time – he was
 13 representing some casino in Costa Rica. So he was never there"); Ex. 108 (Polanco Tr. at
 14 92:16-93:1) (Dowling would often say "Ask Shawn" when substantive securities law
 15 questions were raised); Ex. 5 (Hackman Tr. at 133:4-6) (Dowling works about "twenty
 16 [hours per week], maybe a little less."); Ex. 109 (Denham Tr. at 83:15-84:4; 103:13-104:10;
 17 110:5-111:7; 124:25-125:6; 144:8-24). Ex. 110 (Hale-Gould Tr. 39:17-20; 56:4-11; 63:10-15;
 18 120:11-22; 129:4-25; 216:18-217:3; 220:8-13), and Ex. 108 (Polanco Tr. at 39:6-24; 67:21-
 19 70:10; 287:23-288:17; 303:20-304:3) (similarly testifying that Dowling was rarely in the
 20 office, and Hackman was responsible for the day-to-day operations of the firm). Hackman
 21 took the Fifth when asked about supervision of his SEC-related work for a number of
 22 specific companies. *See, e.g.,* Ex. 6 (Hackman Tr. at 400:14-22; 403:15-17; 445:4-16;
 23 451:19-24; 459:16-21).

24 ²⁶ Because, as noted in the text, neither Gernerter nor Dowling is regularly in the office, one
 25 would expect to find emails from Hackman to Gernerter / Dowling showing his proposed
 26 work product, and from Gernerter / Dowling to Hackman with comments on his work
 below.

1 39. Work for EAD Law Clients Nominally Represented by Yet Another
 2 Attorney. In December 2019, OTC Markets placed Dowling on its Prohibited Attorney
 3 List, meaning opinion letters over Dowling's signature are no longer accepted. EAD Law
 4 clients who needed that service transitioned to a different attorney to sign opinion letters.
 5 Hackman immediately began advising that attorney about what to include (or not) in SEC
 6 filings, including post-effective S-1 amendments filed in April and May 2020. *See, e.g.*, Ex.
 7 111/TE 896 at p. 1 (Hackman advising that coronavirus disclosures are not necessary); Ex.
 8 112/TE 898 at pp. 1-2 (the attorney more broadly seeking Hackman's advice on how to
 9 respond to SEC comments). Hackman took the Fifth when asked whether he was acting as
 10 a lawyer in advising the new attorney. Ex. 6 (Hackman Tr. at 568:25-569:25).

11 40. Failure to Correct Impression Hackman is an Attorney. Hackman
 12 effectively held himself out to the public as an attorney. As noted throughout Subsections
 13 A – D, even clients believed that Hackman was an attorney and was functioning in that
 14 capacity for the SEC-related work he did on behalf of each of the clients' companies.
 15 Hackman did not disabuse his clients of that notion. Other examples where Hackman
 16 knew or should have known he was perceived as an attorney, but did not take any steps to
 17 correct that misimpression, include: Ex. 113/TE 334 at p. 2 ("I have include[d] Shawn
 18 Hackman in this email as he is counsel"); Ex. 114/TE 885 at p. 1 (email referencing
 19 "Shawn Hackman, Esq."); Ex. 115/TE 906 at p. 2 (an oil attorney in Texas "is not [our]
 20 SEC lawyer as you are"); Ex. 116/TE 891 at p. 1 ("A good securities lawyer for your Reg
 21 [A filing] is Shawn Hackman . . . I have used him for nearly 20 years"); Ex. 117/TE 1090
 22 ("I have Cc'd my attorney [Hackman] and he is happy to assist"); Ex. 118 at p. 1 ("could
 23 you send the 8 A to Shawn our attorney before filing"); Ex. 119 at p. 1 (when asked if a
 24 client could provide Hackman's name to someone looking for a "good attorney", Hackman
 25 responds "Sure. Thanks"); Ex. 120/TE 699 at p. 1 (Dowling's email address saved and

1 shown as “Shawn Attorney LV Energy Conv²⁷”); Ex. 121/TE 1091 at p. 1 (Gewerter’s
 2 email address saved and shown as “Shawn Hackman Vegas Attorney”); Ex. 122 at p. 1
 3 (Gewerter’s email address saved and shown as “Shawn Lawyer”).

4 41. In addition, Hackman’s EAD Law business card listed his *Juris Doctor*
 5 degree, but did not indicate either that he was a paralegal or that he was disbarred. Ex.
 6 123/TE 758 (business card). And, for much of the relevant period, his email signature also
 7 failed to indicate that he was a paralegal or legal assistant, *see, e.g.*, Ex. 124/TE 28 at p. 1,
 8 even though the firm’s other paralegals/legal assistants were so identified, *see, e.g.*, Exs.
 9 125/TE 822 at p. 1 (Denham), 126/TE 645 at p. 1 (Polanco), and Ex. 127/TE 746 (Hale-
 10 Gould). These actions had the effect of creating the misleading impression that Hackman
 11 was an attorney.

12 42. Selective Invocation of the Fifth Amendment. As noted throughout
 13 Subsections A – D, Hackman frequently invoked his Fifth Amendment privilege against
 14 incrimination. He did not do so as a blanket response or reflexively as to all questions,
 15 however. For example, he denied working on “all” the SEC filings for Telupay and,
 16 separately, on “all” the filings for Celexus. Ex. 6 (Hackman Tr. at 536:11-537:8).
 17 However, he took the Fifth when asked whether he had worked on “any” filings for
 18 Telupay and “most” of the filings for Celexus, and he also specifically took the Fifth when
 19 asked about work on late summer and fall 2019 filings for those companies. *Id.* Other
 20 examples of his selective invocation include regarding Tribus, AS Capital, and Healthcare
 21 Integrated Technologies Inc. (fka Tomichi Creek Outfitters), where he invoked the Fifth as
 22 to some filings for each company, but specifically denied working on other filings for each.
 23 *Id.* at 480:7-481:4; 481:23-482:4; 498:13-499:14; 553:13-554:20. More generally, Hackman
 24 denied that he functioned as the attorney for “all” SEC filings at Gewerter Law and EAD

25 27 Energy Conversion Services, Inc. is a company for which Hackman prepared SEC filings.
 26 *See, e.g.*, Ex. 6 (Hackman Tr. at 542:17-22) (Hackman taking the Fifth when asked if he
 27 “function[ed] as securities counsel for all of Energy Conversion’s SEC filings”).

1 Law during relevant time periods, but took the Fifth when asked whether he functioned as
 2 the attorney for the “vast majority” of those filings. *Id.* at 446:4-20.

3 43. Income. Hackman’s income was comparable to what would be expected of
 4 an attorney in Las Vegas, as opposed to a paralegal, in terms of both quantity and form.
 5 As discussed above, there are numerous examples of Hackman being paid directly by
 6 clients for legal work he performed on their behalf.²⁸ In addition to cash, a number of
 7 clients also paid Hackman in the form of stock for his legal work.²⁹ He was paid based on
 8 the amount of fees the firm received (40 – 45%), whereas the actual paralegals were paid
 9 either hourly or a fixed salary. Ex. 5 (Hackman Tr. at 169:24-170:9 (re Gewerter Law) and
 10 202:2-6 (re EAD Law)); Ex.109 (Denham Tr. at 149:5-8); Ex. 108 (Polanco Tr. at 120:22-
 11 121:2); Ex. 110 (Hale-Gould Tr. at 82:10-13). And the amount of Hackman’s pay was far
 12 above both the norm for paralegals in the Las Vegas area and what paralegals were paid by
 13 both Gewerter Law and EAD Law. Ex. 6 (Hackman Tr. at 503:9-15). As detailed in
 14 Section II below, Hackman received \$492,174 from Gewerter Law in 2016 alone—
 15 significantly more than Dowling, an actual licensed attorney, was paid.³⁰ And he was paid
 16 an average of \$178,000 per year by EAD Law from 2017-2019, whereas EAD Law staff
 17 who actually functioned as paralegals were paid approximately \$32-52,000 per year (which
 18 is consistent with the market rate for paralegals in Las Vegas). Ex. 109 (Denham Tr. at
 19

20 ²⁸ Direct payments to Hackman include payments made to any of Hackman’s companies:
 21 Masterful Consulting, LLC, Statewide Secretarial Services, Inc., TCISHOT Business
 22 Services, Inc., and Port Side Consulting, LLC. *See* Ex. 5 (Hackman Tr. at 155:5-20; 156:18-
 23 157:11) (acknowledging that payments to any of these companies was effectively a payment
 24 directly to him).

25 ²⁹ Ex. 128/TE 931 (50,000 shares in Celexus); Ex. 129/TE 874 at p. 2 (30,000 shares in
 26 Alpha Energy, Inc. for “Shawn, our securities attorney”); Ex. 130/TE 505 at p. 31 (325,001
 27 shares in Megas, Inc.); Ex. 131 at p. 27 (250,000 C Wolters Consultants, Inc. shares).

28 ³⁰ Ex. 5 (Hackman Tr. at 177:4-17). Similarly, clients often paid Hackman more than they
 29 paid Dowling. *Compare, e.g.*, Ex. 132/TE 503 and Ex. 133/TE 504 (Tribus paid Hackman
 30 \$7,650 but EAD Law only \$5,000 for an S-1); Ex. 134/TE 500 and Exs. 135/TE 501 and
 31 136/TE 502 (She Beverage paid Hackman \$10,200 but EAD Law only \$2,500 for an S-1).

1 304:5-20); Ex. 108 (Polanco Tr. at 120:22-24); Ex. 110 (Hale-Gould Tr. at 84:15-85:2); Exs.
 2 137 - 140/TE 653-656 (Las Vegas paralegal salary information from national websites such
 3 as Glassdoor.com).

4 44. None of Hackman, Gewerter, or Dowling could provide a credible
 5 explanation for Hackman's pay other than the obvious inference that he was being paid at
 6 an attorney rate. *See* Ex. 5 (Hackman Tr. at 182:3-15; 193:3-12) (acknowledging why
 7 someone looking at his pay could believe he was functioning as a lawyer, not a paralegal);
 8 Ex. 3 (Dowling Tr. at 271:14-272:13) (she paid him what she did because "He's
 9 experienced and smart," but refusing to explain how his experience or intelligence could
 10 justify that pay for a paralegal); Ex. 4 (Gewerter Tr. at 97:24-99:23) (claiming he simply
 11 had a general sense of what the work was worth, but unable to explain how paralegal work
 12 could be worth so much).

13 **F. Attempts to Create a Façade that Hackman was a Supervised
 14 Paralegal**

15 45. After the Commission's investigation intensified, Hackman started creating a
 16 paper trail to present the façade that Dowling reviewed his work even though no such
 17 review actually occurred. Three examples: (A) On August 27, 2020, Hackman sent
 18 Dowling a draft attorney opinion letter to be filed with the Farstar, Inc. S-1 "for review and
 19 signature." Ex. 141/TE 1141 at p. 1. Fewer than two minutes later, Hackman sent an
 20 electronically-signed version of the opinion letter (and another document) to the service
 21 that makes filings through the SEC's EDGAR system. Ex. 142/TE 1142. (B) On July 17,
 22 2020, Hackman sent a draft attorney opinion letter to Dowling for her "review and sig."
 23 Approximately 35 seconds later, he sent the letter to the client. Ex. 143/TE 1143
 24 (including both emails). (C) On October 5, 2020, Hackman sent Dowling a 42-page draft
 25 of an S-1 for Glohab. Fewer than 1.5 hours later, Hackman sent the exact same document,
 26 without a single change having been made, to the client. Ex. 144/TE 1144 (including both

emails); Reicher Decl. at ¶146. These are thus three more examples of Hackman violating the 2002 Order.

46. Hackman took the Fifth when asked whether Dowling actually reviewed these documents, whether he sent the documents to simply create a record of showing that he gave Dowling an opportunity to review them, and whether he had “any intention of her actually reviewing the” documents. Ex. 6 (Hackman Tr. at 417:15-418:2; 420:15-421:22; 424:11-24).

G. Hackman also Violated the 2002 Order by Engaging in Direct Communications with Commission Staff.

47. In late June 2019, Hackman, acting in the capacity of “company counsel” for AS Capital, Inc., engaged in a call with counsel for the prospective buyer of Hackman’s client and an attorney in the Commission’s Division of Corporation Finance (“Corporation Finance”) (which reviews corporate filings). The call related to questions raised by Corporation Finance about whether certain of the company’s filings failed to adequately disclose the status of the pending transaction and what contingencies would need to be met for the transaction to close. *See* Ex. 145 (Decl. of Joseph McCann at ¶¶ 5-7); Ex. 146/TE 859 at p. 2 (buyer’s counsel stating, “Shawn and I had good results the last time we called” the SEC). When asked whether he functioned as counsel on this call and, separately, whether such work violated the 2002 Order, Hackman invoked his Fifth Amendment rights. *See* Ex. 6 (Hackman Tr. at 552:12-553:12).

48. On or about November, 13, 2018, Hackman called an attorney in Corporation Finance and advocated for his client's S-1 registration to become effective before the financial disclosures in the filing became stale. *See* Ex. 147 (email from the

1 Corporation Finance attorney indicating that “Counsel did not leave *his* name but sounded
 2 like *he* works for Elaine Dowling”) (italics added).³¹

4 **II. Calculation of Payments to Hackman for Work that Violated the 2002 Order.**

5 49. The Commission’s disgorgement calculation is based on Hackman’s own
 6 testimony, clients’ testimony, and records received in response to subpoenas to numerous
 7 individuals, companies, and relevant banks. Wells Fargo, N.A., where both Gewerter Law
 8 and EAD Law maintain accounts, produced hundreds of checks each firm issued to
 9 Hackman, which have been compiled into a summary spreadsheet for the Court’s
 10 convenience. Ex. 149.³² Hackman’s accounts at Wells Fargo, Citibank, N.A., and Bank of
 11 America, N.A. revealed payments from many clients, as did bank records from clients.
 12 Hackman directly produced some payment information, including records from Chime,
 13 Venmo, PayPal, and Zelle. We compiled the amounts received from all these various
 14 sources to calculate the total payments Hackman received. *See* Ex. 2 (Reicher Decl. at ¶¶
 15 151-153).³³

16 50. Total Income. Gewerter paid Hackman approximately \$476,494 in 2016
 17 and \$2,390 in 2017. *See* Ex. 149 at pp. 1-8 (spreadsheet showing payments made by check
 18 from Gewerter Law and EAD Law to Hackman and his companies); Ex. 2 (Reicher Decl.
 19 at ¶ 151). As shown in Exhibit 149, Dowling paid Hackman approximately \$48,622 in
 20 2016 (at pp. 9-11); \$110,765 in 2017 (at pp. 12-15); \$215,300 in 2018 (at pp. 16-21);

21 ³¹ Hackman was the only male working at EAD Law at the time. *See, e.g.*, Ex. 148/TE 1080
 22 (Dowling subpoena response listing only female employees). A male paralegal wasn’t hired
 until fall 2019.

23 ³² We will provide copies of the numerous checks issued by EAD Law and Gewerter Law
 24 and/or additional documentation concerning client payments directly to Hackman (from
 bank records and otherwise) at the Court’s request.

25 ³³ Hackman signed a six-month tolling agreement (Ex. 150), so payments received from
 26 forward are timely for purposes of disgorgement.

1 \$207,739³⁴ in 2019 (at pp. 22-26); \$82,385 in 2020 (at pp. 27-29); and \$5,650 through late
 2 May 2021 (at pp. 30-31). Clients directly paid Hackman approximately \$324,854³⁵ from
 3 January 1, 2016 through late May 2021. Ex. 2 (Reicher Decl. at ¶¶ 152-153).

4 51. Hackman (and his companies) had de minimis business expenses in
 5 connection with the legal work he performed, and Hackman was not responsible for EAD
 6 or Gewerter Laws' expenses. Ex. 5 (Hackman Tr. at 160:1-161:16) (Hackman's companies
 7 never paid rent; the only expenses Hackman mentioned were buying computer toner and
 8 briefly hiring a high school student); *id.* at 173:17-174:4; 196:5-14 (except for rare de
 9 minimis expenses like buying paper if Dowling was unavailable to write a check, Hackman
 10 was not responsible for firm expenses).

11 52. Percentage Attributable to Work Performed in Violation of the 2002 Order.
 12 While all of Hackman's income outlined above likely came from work that violated his
 13 disbarment, not all of it violated the 2002 Order (which is limited to prohibiting Hackman
 14 from appearing or practicing before the Commission). This Application seeks
 15 disgorgement only of amounts related to Hackman's SEC-related work.³⁶

16 53. Hackman testified that approximately 75% of his income from Gewerter
 17 Law in 2016 related to preparing SEC filings. Ex. 5 (Hackman Tr. at 215:25-216:20).
 18 Using Hackman's own estimate, the disgorgable amount he earned from Gewerter Law in

19 ³⁴ The spreadsheet attached as Ex. 149 shows only \$205,949 in 2019 and only \$78,985 for
 20 2020 because it includes only payments made by check. The total figures listed in the text
 21 include payments through electronic platforms such as Venmo, PayPal, and Zelle. *See, e.g.,*
 22 Exs. 151, 152, and 153.

23 ³⁵ *See* Ex. 2 (Reicher Decl. at ¶153). The total shown here is almost certainly an
 24 underestimate of what Hackman was actually paid directly. There were many deposits to
 25 Hackman's accounts for which the source of the money was not clear. Because our
 26 calculations include only payments where there is a specific basis to believe they relate to
 27 legal work on SEC filings, at least some payments for other SEC-related legal work are
 28 likely excluded. In addition, this figure excludes the value of the shares Hackman received
 for his legal work.

³⁶ Non-SEC work by Hackman included, for example, litigation and general corporate
 matters.

1 2016 was approximately \$357,370 (75% of \$476,494). Hackman was not asked what
 2 percentage of his (nominal) Gewerter Law income from early 2017 related to SEC filings,
 3 but it is reasonable to assume it was consistent with the 75% from both 2015 and 2016, for
 4 a disgorgable amount of \$1,792 (75% of \$2,390).

5 54. Hackman testified that 60 to 70% of his income from EAD Law in 2017 and
 6 2018 derived from securities or corporate work, and 75 to 80% of that securities/corporate
 7 work related to securities filings, for a net estimation that 45% of his income in that period
 8 related to SEC filings. *Id.* at 213:18-22; 214:12-24. Using Hackman's own estimates and
 9 taking the lower of each estimate he provided, a conservative approximation of Hackman's
 10 disgorgable income from 2017 and 2018 is \$146,729 (45% of \$326,065).³⁷

11 55. Hackman testified that 50 to 55% of his income in 2019 related to SEC
 12 filings. *Id.* at 215:9-22. Again accepting his own estimate, a conservative approximation of
 13 Hackman's disgorgable income for 2019 is \$103,869 (50% of \$207,739).

14 56. Hackman was not specifically asked what percentage of his income from
 15 EAD Law in 2016, 2020, or 2021 related to SEC filings. However, it is reasonable to
 16 assume it would be consistent with other periods. Accepting the lowest range of
 17 Hackman's own estimates, a conservative approximation is that Hackman earned
 18 disgorgable amounts from EAD Law of \$21,879 in 2016 (45% of \$48,622), \$37,073 in
 19 2020 (45% of \$82,385), and \$2,542 in 2021 (45% of \$5,650).

20 57. Hackman was not specifically asked what percentage of his income that
 21 came directly from clients related to SEC filings. While likely a significant underestimate,
 22 it is reasonable to assume that, at a minimum, the same percentages apply to that income

23
 24
 25
 26 ³⁷ \$110,765 (2017 income) + \$215,300 (2018 income) = \$326,065.
 27
 28

1 as well.³⁸ Accordingly, a conservative estimate is that Hackman earned a disgorgable
 2 amount of \$146,184 (45% of \$324,854) from these payments.

3 58. Using the calculations detailed above, from January 1, 2016 through late
 4 May 2021 Hackman earned a conservative estimate of \$817,438 in disgorgable income as
 5 a result of violating the 2002 Order:

Source of Income	Income	% of Income from SEC Filings	Disgorgable Income
Gewerter 2016	\$476,494	75% (p. 216 of Hackman Tr.)	\$357,370
Gewerter 2017	\$2,390	75% (extrapolating from earlier period)	\$1,792
EAD 2016	\$48,622	45% (extrapolating from 2017-18)	\$21,879
EAD 2017-18	\$326,065	45% (p. 214-15 Hackman Tr.)	\$146,729
EAD 2019	\$207,739 (includes \$1,790 in electronic payment)	50% (p. 215 Hackman Tr.)	\$103,869
EAD 2020	\$82,385 (includes \$3,400 in electronic payment)	45% (using lower EAD figure)	\$37,073
EAD 2021	\$5,650	45% (using lower EAD figure)	\$2,542
Payments directly to Hackman	\$324,854	45% (using lowest figure)	\$146,184
TOTAL			\$817,438

POINTS AND AUTHORITIES

59. The SEC brings this Application pursuant to authority conferred on it by Sections 21(d)(5) and 21(e)(1) of the Exchange Act ,15 U.S.C. §§ 78u(d)(5) and 78u(e)(1). In particular, Section 21(e)(1) of the Exchange Act provides that, upon application of the Commission, the district courts of the United States have jurisdiction to issue writs of

³⁸ The 45% figure is based on Hackman's estimate that 40% of his income at EAD Law derived from litigation work, but few if any direct payments from clients are likely to have been for litigation work because he could not appear in court or take depositions. Thus, the Commission could argue for disgorgement of nearly all his direct client income.

1 mandamus, injunctions, and orders commanding any person to comply with Commission
 2 administrative orders instituted pursuant to the Exchange Act. “[S]ection 21(e) contains a
 3 provision explicitly vesting district courts with jurisdiction, on application of the SEC, to
 4 issue ‘orders commanding . . . any person to comply with [the Exchange Act], [and] the
 5 rules, regulations, *and orders* thereunder.” *Lang v. French*, 154 F.3d 217, 220 (5th Cir. 1998)
 6 (italics in original); *see also SEC v. McCarthy*, 322 F.3d 650, 655 (9th Cir. 2003) (“Section
 7 21(e) of the Exchange Act expressly permits the Commission to seek enforcement of its
 8 orders by making application to the district court.”); *SEC v. Vittor*, 323 F.3d 930, 935 (11th
 9 Cir. 2003) (same). “The Exchange Act does not limit or restrict what types of Commission
 10 orders may be enforced through § 21(e) other than to state that the Commission’s order
 11 must have been issued pursuant to the Exchange Act or the rules and regulations
 12 promulgated thereunder.” *McCarthy*, 322 F.3d at 655. A Rule 102(e) suspension is issued
 13 pursuant to the Commission’s authority under the Exchange Act, and can thus be enforced
 14 through a Section 21(e)(1) action. *See, e.g., SEC v. Vinson*, 3:19-MC-0075-K, N.D. Tex.
 15 March 2, 2020, Dkt. No. 9, attached as Ex. 154 (“Vinson Order”) (finding an attorney
 16 violated his Rule 102(e) suspension and ordering him to comply and pay disgorgement);
 17 *SEC v. Moore*, 2017 WL 1404318, at *9 (D. Nev. April 18, 2017) (same as to accountant);
 18 *SEC v. Jones*, 155 F.Supp.3d 1180 (D. Utah 2015) (same as to an accountant); *SEC v. Taber*,
 19 2013 WL 6334375 (S.D.N.Y. Dec. 4, 2013) (same as to an accountant).

20 60. Section 21(e) authorizes summary proceedings “without formal pleadings,
 21 on short notice, without summons and complaints, generally on affidavits, and sometimes
 22 even *ex parte*,” *McCarthy*, 322 F.3d at 655 (quoting *New Hampshire Fire Ins. Co. v. Scanlon*,
 23 362 U.S. 404, 406-07 (1960)), because, “[b]y the time a § 21(e) application is filed by the
 24 Commission, the time and opportunity for adjudicating the merits of the claim have been
 25 exhausted; all that is left to do is enforce the order,” *id.* at 658; *see also SEC v. Gerasimowicz*,
 26 9 F.Supp.3d 378, 381 (S.D.N.Y. 2014) (“[L]itigants are precluded from challenging the

1 validity of SEC orders in enforcement proceedings initiated pursuant to . . . Section
 2 21(e)(1) of the Exchange Act.”); *SEC v. Securities Inv'r Protection Corp.*, 842 F.Supp.2d 321,
 3 326 (D.D.C. 2012) (following holding in *McCarthy* “that Congress’ use of the word
 4 ‘application’ in Section 21(e) of the Securities Exchange Act permitted the use of summary
 5 proceedings to enforce an order of the Commission”).

6 **A. Hackman’s Work Constituted Appearing or Practicing Before the Commission.**

7 61. The purpose of Rule 102(e) is to protect the integrity of the Commission’s
 8 processes. *See Touche Ross & Co. v. SEC*, 609 F.2d 570, 582 (2d Cir. 1979) (noting that Rule
 9 102(e) was adopted as a “means to ensure that those professionals, on whom the
 10 Commission relies heavily in performance of its statutory duties, perform their tasks
 11 diligently and with a reasonable degree of competence”). The Commission can thus
 12 suspend an attorney from appearing or practicing before it for various types of misconduct,
 13 including having been disbarred—the basis for Hackman’s suspension.³⁹ *See* SEC Rule of
 14 Practice 102(e)(2), 17 C.F.R. § 201.102(e)(2).

15 62. Rule 102(f) provides that “practicing before the Commission shall include,
 16 but shall not be limited to: (1) Transacting any business with the Commission; and (2) The
 17 preparation of any statement, opinion or other paper by an attorney, accountant, engineer
 18 or other professional or expert, filed with the Commission in any registration statement,
 19 notification, application, report or other document with the consent of such attorney,
 20 accountant, engineer or other professional or expert.” 17 C.F.R. § 201.102(f). Hackman’s
 21 work clearly constituted appearing or practicing within the meaning of Rule 102(f): He
 22 “transacted business” with the Commission by communicating with SEC staff on behalf of
 23

24 ³⁹ The Commission may suspend a disbarred attorney to protect its processes should the
 25 disbarred attorney later regain their law license, or (like Hackman) attempt to appear or
 26 practice before the SEC in violation of a disbarment. *See, e.g., In re Richard Jeffrey Rubin*,
 27 Exchange Act Release No. 88258 (Feb. 21, 2020) (suspending disbarred attorney who held
 28 himself out as an attorney and functioned as such on SEC filings), available at
<https://www.sec.gov/litigation/admin/2020/34-88258.pdf>.

1 clients at least twice, he willingly prepared almost innumerable documents (including
 2 opinions, registration statements, notifications, and reports) he knew would be filed with
 3 the Commission, and he consented both explicitly and implicitly to those filings.

4

5 **B. Hackman's Work Constituted the Practice of Law, and thus he was Appearing or**
 6 **Practicing "As an Attorney" Within the Meaning of the 2002 Order.**

7 63. Under Nevada law, Hackman's work discussed throughout this Application
 8 constituted the practice of law. *See In re Lerner*, 124 Nev. 1232 (2008) (*en banc*). In *Lerner*,
 9 the court stated that “the overarching principle [is] that the practice of law is involved when
 10 the activity requires the exercise of judgment in applying general legal knowledge to a
 11 client’s specific problem.” *Id.* at 1234. Among the activities that constitute the practice of
 12 law is “advising a client about his or her legal rights and recommending future actions.”
 13 *Id.* at 1241-42.⁴⁰ The court elaborated that the “practice of law is implicated whenever a
 14 person is faced with a legal issue that cannot be handled by resort to routine forms or
 15 customs, and when the person makes a decision not to rely on his or her own judgment but
 16 to obtain assistance from someone else, a stranger to the situation.” *Id.* at 1238. Here,
 17 Hackman relied on his professional judgment, formed during the time when he was a
 18 licensed attorney, to routinely and continuously advise clients about their legal obligations

19 ⁴⁰ Agreeing to undertake a representation (*see, e.g.*, Ex. 155/TE 1046) itself requires the
 20 exercise of professional judgment and it, as well as serving as the sole client contact at the
 21 firm (*see, e.g.*, Ex. 14 (Iarocci Tr. at 56:2-57:14)), likewise constitute the practice of law.
Lerner, 124 Nev. at 1241; *see also In re Arase*, 129 Nev. 1124 (Table), 2013 WL 690938, at *1
 22 (Feb. 22, 2013) (California attorney engaged in the unauthorized practice of law by
 retaining Nevada clients). While *Lerner* said that being the “sole” client contact was
 23 problematic, other cases make clear that substantive client contact itself can be problematic.
See, e.g., *In re Crowley*, 132 Nev. 984 (Table), 2016 WL 2742371, at *1 (May 9, 2016)
 24 (pointing to a “meeting with a client to review a trust document” as one of the improper
 25 actions and citing approvingly to an out-of-state case that held that “while an attorney who
 has been suspended from the practice of law is permitted to work as a paralegal or similar
 26 for a licensed attorney, the suspended lawyer’s functions must be limited exclusively to work
 of a preparatory nature under the supervision of the licensed attorney and must not involve
 client contact.”). Hackman was, at the very least, the primary point of contact for legal
 issues and filings for numerous clients.

1 with regard to the variety, intricacies, and nuances of SEC filings, including the form,
 2 substance, and legal requirements related thereto. As detailed above, clients hired him
 3 specifically to function as their attorney—not as their “paralegal.” By the terms of *Lerner*
 4 (and any reasonable definition), Hackman plainly engaged in the practice of law.

5 64. *Lerner* concerned a duly licensed out-of-state attorney. Concerns are
 6 heightened when, as here, a “paralegal” is a disbarred or suspended attorney. This Court
 7 has recently explained that it “is of utmost importance that a suspended attorney ensures
 8 and guards against any misunderstanding about whether the attorney is authorized to
 9 practice law[,] and he bears the burden of making sure clients are clear on the attorney’s
 10 status.” *In re Dickerson*, 2019 WL 6790651, at *3 (D. Nev. Dec. 12, 2019). Dickerson never
 11 “sign[ed] pleadings, attend[ed] depositions, or ma[d]e court appearances. However,
 12 Dickerson’s work was all substantive legal work in nature” including “drafting legal
 13 documents,” even though a licensed attorney signed all pleadings and “reserved control
 14 and authority over the case.” *Id.* at *2. Similarly, while Hackman never signed *his* name to
 15 any opinion or allowed his name to be put on SEC filings, it is clear that he was doing the
 16 substantive legal work (including providing related legal advice) on these filings. This case
 17 is even more egregious than *Dickerson* because, unlike in that case, Gewerter and Dowling
 18 did not maintain control or authority over Hackman’s work product—they had minimal, if
 19 any, involvement in most filings.⁴¹

20 41 Courts around the country agree that preparing substantive legal documents can constitute
 21 the practice of law even if an attorney reviews the filing and/or puts his or her name on the
 22 document. *See, e.g., In re Friedberg*, 144 N.Y.S.3d 183, 186 (N.Y. App. Div. 1st Dep’t. 2021)
 23 (“Activities like preparing memoranda and documents to be filed in court—even if
 24 subscribed to by an admitted attorney—or conducting interviews with clients are forbidden
 25 to a suspended or disbarred attorney.”); *In re Chavez*, 129 N.M. 35, 42-43 (2000) (finding a
 26 suspended attorney’s drafting of documents signed by another lawyer to be the practice of
 27 law after refusing “to adopt a definition of the practice of law that is limited to signing
 28 pleadings or appearing in court on another’s behalf” and noting that “where the individual
 charged with unauthorized practice of law has had legal training, his activities are subject to
 even closer scrutiny”) (citation omitted); *In re Raskin*, 217 A.D.2d 187, 188-89 (N.Y. App.
 Div. 2d. Dep’t. 1995) (suspending an attorney who allowed a disbarred attorney to advise
 on a lawsuit and draft various legal papers, even where the attorney reviewed the papers

1 65. Dickerson was also faulted for failing to clearly identify himself as a
 2 paralegal, and there was at least one instance where the client referred to him as an
 3 attorney. 2019 WL 6790651, at *2. Here, Hackman was repeatedly referred to as an
 4 attorney by clients and various third parties, yet did nothing to correct these
 5 misimpressions—and at times appeared to actively foster the impression that he was an
 6 attorney (*see, e.g.*, his business card). *See also In re Crowley*, 133 Nev. 1027 (Table), 2017 WL
 7 5952887, at *1 (Nov. 29, 2017) (finding an attorney violated Rules 5.5 and 8.4(d) when he
 8 advised clients but “failed to ensure that [his clients] knew he was a suspended attorney”).

9 66. Finally, at least at times, Dickerson billed the client directly for his services,
 10 which “is a classic function and responsibility of the practicing attorney.” *Id* at *3.
 11 Hackman also billed numerous clients directly for his services, including receiving shares in
 12 several companies as compensation.

13 67. Hackman plainly appeared or practiced as an attorney before the
 14 Commission within the meaning of Rule 102(f) and Nevada law. In doing so, he violated
 15 the Commission’s 2002 Order. The Commission respectfully requests the Court enter an
 16 order finding that Hackman violated the 2002 Order, and order him to comply with the
 17 2002 Order going forward.

18
 19
 20
 21
 22 before filing, because such work constituted the practice of law); *In re Wood*, 408 B.R. 841,
 23 853 (Bank. D. Kan. 2009) (licensed lawyer aided in the unauthorized practice of law where
 24 he performed a “perfunctory review of the papers” drafted by paralegals or out-of-state
 25 lawyers); *In re Brandes*, 2015 WL 4664743 (N.Y. App. Div. 2d Dep’t. June 3, 2015)
 26 (rejecting reinstatement request because suspended attorney violated his suspension by
 27 “draft[ing] briefs and other litigation papers for other attorneys” and providing legal advice
 28 to other attorneys, who were less experienced than he); *In re Devers*, 328 Or. 230, 238 (1999)
 (revising a settlement agreement “is the work of a lawyer, not a scrivener” and the
 “intentional failure to disclose a suspension” constituted a material omission and a
 separation ethics violation).

1 **C. Disgorgement of the Compensation Hackman Received for Work Performed in**
 2 **Violation of the 2002 Order is Appropriate.**

3 68. Courts can order disgorgement in order to recover fees earned for work in
 4 violation of a Rule 102(e) suspension, depriving the violator its ill-gotten gains. *See Jones*,
 5 155 F.Supp.3d at 1191 (ordering disgorgement of accounting fees earned in violation of a
 6 Rule 102(e) suspension); *Moore*, 2017 WL 1404318, at *10 (same); *Taber*, 2013 WL
 7 6334375 (same); *see also* Ex. 154 (Vinson Order).

8 69. “Disgorgement need be only a reasonable approximation of profits causally
 9 connected to the violation.” *SEC v. Platforms Wireless Intern. Corp.*, 617 F.3d 1072, 1096 (9th
 10 Cir. 2010) (internal citations omitted). Once the Commission provides a reasonable
 11 approximation of profits connected to the misconduct, “the burden shifts to the defendants
 12 to demonstrate that the disgorgement figure was not a reasonable approximation.” *Id.*
 13 Any “risk of uncertainty [in calculating disgorgement] should fall on the wrongdoer whose
 14 illegal conduct created that uncertainty.” *Id.*; *see also SEC v. Funinaga*, 2015 WL 356291, at
 15 *5 (D. Nev. Jan. 27, 2015) (defendant failed to show the SEC’s disgorgement calculation
 16 was unreasonable, particularly because “[a]ny uncertainty in calculating disgorgement is
 17 construed against defendants in light of their illegal conduct”).

18 70. Hackman was paid approximately \$817,438 for work that violated the 2002
 19 Order. *See* Facts Section II, above. As detailed in that discussion, the Commission’s
 20 estimate is not just reasonable, but conservative.

21

22 **CONCLUSION**

23 Based on the above, this Court should

24 (A) After the Commission notifies the Court that it has effectuated service, set a
 25 schedule for Hackman to submit any opposition papers and the Commission
 26 to submit any reply;

1 (B) Enter an order enforcing compliance with the 2002 Order;

2 (C) Order Hackman to disgorge \$817,438, representing the compensation gained

3 as a result of his engaging in work that was proscribed by the 2002 Order,

4 together with prejudgment interest thereon;

5 (D) Grant the Commission such other and further relief as may be necessary and

6 appropriate; and

7 (E) Retain jurisdiction over this matter for the purpose of enforcing Hackman's

8 compliance.

9 Respectfully submitted this 30th day of June, 2021.

10 THOMAS J. KARR
11 Assistant General Counsel

12 _____
13 /s/ *Eric Reicher* _____
14 ERIC REICHER
15 Special Trial Counsel

16 KAREN J. SHIMP
17 Special Trial Counsel
18 U.S. Securities and Exchange Commission

19 Certificate of Service

20 I hereby certify that on June 30, 2021 I electronically filed the foregoing
21 **Application for an Order Under Section 21(e)(1) of the Securities Exchange Act of 1934**
22 **Enforcing Compliance With a Commission Order, and Brief in Support** with the Clerk
23 of the Court for the United States District Court for the District of Nevada using the
24 CM/ECF system

25 Dated this 30th day of June 2021.

26 _____
27 /s/ *Eric Reicher* _____
28 Eric Reicher
29 Special Trial Counsel
30 U.S. Securities and Exchange Commission

APPENDIX A

- 2 Allure Worldwide, Inc.
- 3 Alpha Energy, Inc.
- 4 American Heritage International, Inc.
- 5 Anfield Acquisitions, Inc.
- 6 Apex 11, Inc.
- 7 Arrington Jones, Inc.
- 8 AS Capital, Inc.
- 9 Astika Holdings, Inc.
- 10 Atlantic Acquisition, Inc.
- 11 Atlantic Acquisition II, Inc.
- 12 BestGofer, Inc.
- 13 Bioadpatives, Inc.
- 14 Biocrude Technologies, Inc.
- 15 C Wolters Consultants, Inc.
- 16 Celexus, Inc.
- 17 Cheval Resources Corp.
- 18 Cyclone Power Technologies, Inc.
- 19 Darkstar Ventures, Inc.
- 20 DAS Acquisition, Inc.
- 21 DCA Asset Management, Inc.
- 22 Dewmar International BMC, Inc.
- 23 Downkicker, Inc.
- 24 Energy Alliance Technology Corp.
- 25 Energy Conversion Services, Inc.
- 26 Farstar, Inc.
- 27 Flashapp, Inc.

1 Friendable, Inc.
2 Glohab, Inc.
3 Gold Standard Mining Co.
4 GP Solutions, Inc.
5 Granito Acquisition I, Inc.
6 Grow Pod Solutions, Inc.
7 Help Worldwide, Inc.
8 Joblocationmap, Inc.
9 Kinetic Group, Inc.
10 Lane Capital Corp.
11 LGH Group US, Inc.
12 Lucent, Inc.
13 Megas, Inc.
14 Mobad Service Corp.
15 NAS Acquisition, Inc.
16 Optimum Source International, Ltd.
17 Pacific Oil Co.
18 PC Mobile Media Corp.
19 Perk International Inc.
20 Perlowin Development Corp.
21 Prudent Senior Services of America, Inc.
22 Puravita Corp.
23 Remsleep, Inc.
24 Sanz Solutions, Inc.
25 SEC of America Corp.
26 Sector 5, Inc.
27 Sharp Holding Co.

- 1 She Beverage Company, Inc.
- 2 Shengshi International Holding Group, Inc.
- 3 SigmaRenPro, Inc.
- 4 Skilift, Inc.
- 5 Social Detention, Inc.
- 6 Stark Naked Bobbers
- 7 Stuart King Capital Corp.
- 8 Tenaya Acquisitions Co.
- 9 Tenaya Group, Inc.
- 10 Thomas Capital Corp.
- 11 Tiburon International Trading Corp.
- 12 Tiger Oil & Energy, Inc.
- 13 Tipmefast, Inc.
- 14 Tomichi Creek Outfitters
- 15 Tribus Enterprises, Inc.
- 16 Triton Acquisition Co.
- 17 Ultimate Holdings Corp.
- 18 United People Power, Inc.
- 19 Uppersolution.com
- 20 Urban Seed Vegas I, LLC
- 21 US-Dadi Fertilizer Industry International, Inc.
- 22 U.S.-MHJ Wooden Elegance Creations International, Inc.
- 23 US-Nobel Primary Education Development International, Inc.
- 24 Vegas Rental Development, Inc.
- 25 Wellness Matrix Group, Inc.
- 26 Whiskey Acquisitions, Inc.
- 27 ZYQC Group Holding Ltd.

APPENDIX B

Form	Description
1-A	Regulation A Offering Statement
S-1	Registration statement under Securities Act of 1933
S-1A	Amended registration statement
10	General form for registration of securities pursuant to Section 12(b) or (g). [Sometimes appropriate instead of an S-1]
10-K	Annual report
10-Q	Quarterly report
8-K	Current report pursuant to Section 13 or 15(d) [Used to report material items between quarterly statements]
12b-25	Notification of late filing
15	Certification and notice of termination of registration under Section 12(g) or suspension of duty to file reports under Sections 13 and 15(d)
3	Initial statement of beneficial ownership of securities
4	State of changes in beneficial ownership of securities
D	Notice of Exempt Offering of Securities
ID	Application for access codes to file on EDGAR